

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 17, 1997

ALL COUNTY INFORMATION NOTICE I-02-97

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY DISTRICT ATTORNEYS
ALL TITLE IV-D AGENCIES

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: PROPOSED REDESIGN OF WELFARE SYSTEM

REFERENCE: ALL COUNTY INFORMATION NOTICES I-54-96 AND I-65-96

The purpose of this notice is to provide you with some materials that will bring you up to date on the latest developments in the proposed redesign of the welfare system in California. Attached is a detailed description of the Governor's proposed welfare reform program. The document describes the major provisions of the proposed California Temporary Assistance Program (Cal-TAP) and includes a side by side comparison of the current and proposed welfare systems. The anticipated effective date for this proposal is January 1, 1998.

If you have any program related questions please contact Jan DeSilva in the AFDC Policy Implementation Bureau at (916) 657-2314. Questions regarding employment programs should be addressed to Tony Armenta at (916) 654-1416. Questions regarding child care issues should be addressed to Linda Page at (916) 654-1437. Questions regarding Cal-Learn should be addressed to Nancy Remley at (916) 654-1515. Questions regarding fiscal or administrative issues should be addressed to Nola Nigel or Mary Ann Warren of the Fiscal Policy Bureau at (916) 657-3440.

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Enclosures

bc: AFDC Program Branch
P. Sutherland

THE CALIFORNIA TEMPORARY ASSISTANCE PROGRAM (CalTAP)

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Executive Summary

Aid to Families with Dependent Children (AFDC) was a federally prescribed welfare program developed in the 1930s to help single mothers who were widowed and those who were abandoned by their husbands. There were no work expectations for these women and it was likely that once remarried their need for welfare ceased. Societal expectations and conditions are much different today, but AFDC's objectives remained fundamentally unchanged. Unreformed welfare shifted financial responsibility of the parents to the taxpayer and trapped recipients by making welfare more attractive than work.

In recent years California has made important changes to the AFDC program to move recipients more quickly into employment. Key reforms include the establishment of enhanced work incentives and improvements in the Greater Avenues for Independence (GAIN) program. Even with these changes, approximately 80 percent of welfare recipients are still not working, even part time. This, however, is in the context of a welfare system that did not require work as a condition of aid, had no time limits on aid, and did not provide adequate financial incentives for recipients to increase earnings to the equivalent of full-time minimum wage.

On August 22, 1996, the President signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which eliminated the 60-year old welfare program. The new federal welfare legislation block grants funds to the states to provide time-limited benefits to families. The Temporary Assistance for Needy Families (TANF) provisions eliminate AFDC as the federal entitlement and repeal most federally-prescribed eligibility requirements. In its place, TANF provides states with broad flexibility to design replacement programs and mandates a work participation expectation in which specified percentages of families must participate in work activities or states will face severe financial sanctions.

Within this new federal program flexibility, California is now able to restructure welfare to focus on work, respond to public concern regarding long-term welfare dependency, and promote parental responsibility. This proposal reflects California's experience with the various demonstration projects, and considers input obtained from the public forum process, county welfare directors, the academic community and various public agencies.

The *California Temporary Assistance Program (CalTAP)*, reflects fundamental changes to the existing system in its underlying philosophy and structure. Under this new approach, work, personal responsibility and self-sufficiency for able-bodied recipients will be encouraged while aid will continue for those unable to care for themselves.

Highlights of these changes include:

- **Establishment of a Work Expectation.** Adult single parents will be required to work or participate in a required activity for 32 hours per week. One of the adults in a two-parent family must work or participate in a required activity for 35 hours per week.
- **Emphasis on Parental Responsibility.** *CalTAP* will require, as a condition of eligibility for aid, that children be enrolled in school and have required immunizations. Additionally, non-cash aid will be required in lieu of cash aid, when parents are abusing alcohol or drugs and not providing for the needs of their children.
- **Time-Limited Aid.** In order to emphasize that welfare is a temporary support in time of crisis, the proposal contains time limits. Current recipient families, headed by able-bodied adults on aid at the time this program becomes law will be limited to aid for 24-months in any 36-month period. New applicants will be limited to 12-months in any 24-month period. There will be an overall 60-month lifetime limit for most families.
- **Eliminating the "One Size Fits All" Approach.** This proposal recognizes that families require different responses from the system if they are to move rapidly to work. For those who do not find work immediately, there will be a work readiness screening and a participation plan that will contain a variety of activities depending on their barriers to employment.
- **Reducing Barriers to Employment.** In order to assist parents to get or increase earnings, the program will provide substantial funding and flexibility so that counties can provide employment and supportive services to remove barriers to immediate employment.
- **Strengthening Child Support Requirements.** Current child support cooperation requirements result in insufficient information being provided to locate the noncustodial parent in about 32 percent of the cases on aid. This severely lessens the establishment of paternity and child support orders. Under *CalTAP*, until paternity is established, aid will only be provided for the children. And if the custodial parent does not fully cooperate with the District Attorney on all child support issues, aid will be denied to the entire family.
- **Establishment of a Family Grant and Improved Work Incentives.** Grant levels will be based on family size and will vary based upon program participation. Maximum grant levels will be the same as those in effect as of January 1997. The grant will not increase if the size of the family increases. The grant structure will contain work incentives that will provide consistent financial rewards for those who choose work over welfare. Current income disregards and the need standard are eliminated.
- **Focus on Teen Parents.** Minors will be required to live at home as a condition of eligibility. Counties will be allowed to continue to operate the Cal-Learn program or to develop an alternative teen parent program which meets prescribed program outcomes. Counties will be strongly encouraged, and funding provided, to include a home visitation component for the teen parents in the program.
- **A new state-county partnership.** Within a context of state-established eligibility standards, time limits and grant levels, counties will have broad authority to organize and deploy program resources to achieve program goals. Administration and employment services funding will be block granted to counties based upon current sharing ratios. Aid payments will continue to be funded jointly. Counties will receive 25 percent of any program savings that exceed a county-specific benchmark. Counties will operate their programs pursuant to a state-approved local plan.
- **Protecting Children.** Prior to terminating aid to any family due to time limits or failure to comply with minimum program requirements, the county will first determine whether the children of such families are exposed to abuse or neglect. Further *CalTAP* will provide non-cash safety net benefits for the children of families who may still need some governmental support once their time limits expire.

PROPOSED PROGRAM FRAMEWORK

PURPOSE

The *California Temporary Assistance Program (CalTAP)* will help families find work and leave public assistance as quickly as possible.

GOVERNANCE

Program Design

A major change in program governance is proposed. With most federal program requirements eliminated, the state will set only basic program parameters (eligibility, time limits, grant levels, and outcomes). Program design elements will be at county discretion. This will provide counties with the flexibility to design programs that are consistent with local needs and integrated with other local programs. This includes the ability to directly deliver services or to enter into performance-based contracts with existing or newly-formed provider networks. Finding cost-effective roles for private enterprise, the faith community, and other community service organizations is integral to the new program's success.

The key elements of each county's program will be included in its county plan and is subject to State review and approval. We expect the county plan process to include broad community input, reflect local conditions and the welfare population's needs. The county plan will additionally describe collaboration strategies developed with the local agencies to coordinate and maximize resources needed to provide and expand program services.

The Financial Relationship

Welfare reform cannot succeed in a state-county partnership without a guarantee that the state will not simply transfer costs to local government. Counties need strong financial incentives to pursue positive program outcomes.

Administration and services costs, including employment, additional substance abuse and mental health services, will be provided as a block grant to counties. This includes an additional \$139 million for employment programs and other services. Counties will be able to access this block grant after meeting their Maintenance of Effort requirements. This will allow each county to organize and operate its programs according to local priorities without regard to current funding source restrictions. Counties may also utilize funding to provide discreet, short-term services or assistance that will divert otherwise eligible applicants from becoming welfare recipients.

Grant costs will continue at current sharing ratios (2.5 percent county). However, counties will be given a share of savings greater than the normal share, as an incentive for improved program performance. To the extent that costs are reduced, counties will receive 25 percent of any savings that exceed the county-specific benchmark. If the Federal government assesses penalties on California for failure to meet prescribed requirements, these penalties would be proportionally passed through to those counties that failed to meet the federal requirements, unless the state concludes the failure was beyond the counties control.

All of the proposed governance changes will require a major cultural change within the state and county welfare departments. County staff will be required to approach applicants and current recipients in a completely new way. Retraining and organizational restructuring is needed to launch a new welfare system that helps recipients obtain work. The proposed Budget includes \$79.4 million in recognition of the retooling and other extraordinary program administration costs.

PROGRAM ELEMENTS

ELIGIBILITY

With *CalTAP* California dramatically changes the purpose of welfare from providing long term subsistence to providing temporary assistance for families as they move toward employment. New income thresholds for eligibility reflect this change. The new Maximum Income Levels (MIL) are based on the maximum grant levels in effect on January 1, 1997 and the amount of a standard work incentive necessary to encourage a family to earn income of at least the full-time minimum wage. The family of two was used as the standard for the work incentive since it comprises the largest percentage (36 percent) of the current welfare population. In both regions, the MIL for a family size of two is set at the monthly equivalent of full-time minimum wage employment (\$996). The MIL exceeds \$996 for families larger than two by an amount equivalent to the increase in the current grant level for family size. For example, the MIL for a family of three in Region 1 is \$1105 and in Region 2 is \$1100, while the MIL for a family of four in Region 1 is \$1213 and in Region 2 is \$1203.

With limited exceptions, custodial parents will not be eligible for *CalTAP* until paternity is established for all their children for whom aid is sought. Their children will be aided pending paternity establishment. Custodial parents must also cooperate with the child support process (providing the name and other identifying information of the non-custodial parent and participating in blood testing and court appearances). Failure to cooperate without good cause will result in ineligibility for the entire family.

Most legal aliens will continue to be eligible for aid. However, consistent with federal law, legal aliens who entered the country after August 22, 1996, and who do not meet federal exception criteria, will be ineligible for aid for five years. Legal aliens who meet exception criteria, such as refugees, asylees, veterans, and those on active duty are eligible for aid for up to five years.

CalTAP will place additional emphasis on promoting parental responsibility by requiring, as a condition of eligibility, that children receive necessary immunizations and that school-age children attend school as required by law. Additionally, minor teens will be required to live at home or in another adult-supervised setting in order to receive aid.

Many families who enter *CalTAP* may not need to rely on welfare to resolve their family crisis. Once an application is filed, counties will be able to provide services and resources that may meet the temporary emergency needs of the family and divert them from aid. Services and resources can include assistance with car repairs, relocation expenses, rent, referrals to crisis shelters and other assistance programs. This may result in a reduced need or early exit from *CalTAP*.

UPFRONT JOB SEARCH

To strengthen the employment focus of the new program, all adult applicants, with limited exceptions, will participate in upfront job search for up to 20 working days. During this period, intensive job search activities and other job services such as interviewing skill training, resume writing, job placement and job development will be provided to recipients. This upfront job search period can run simultaneous to county efforts to provide for the temporary emergency needs of the family.

WORK READINESS SCREENINGS

A key feature of the new *CalTAP* program will be a screening of each adult parent or aided caretaker's work readiness. If the upfront job search component is unsuccessful, the county will screen each adult parent or caretaker for employability strengths and barriers. These screenings will result in an individual participation plan tailored to the unique needs of each adult recipient.

For those who are immediately employable, services can range from additional job search to job development and job placement. For those families identified with short-term barriers, services could include job training, other employment-focused vocational training, or family crisis resolution, such as domestic violence intervention. Services for families with multiple barriers could include drug/alcohol or mental health treatment or longer term training of no more than one year.

WORK PARTICIPATION REQUIREMENTS

With few exceptions, adults receiving aid on behalf of themselves and/or their children will be expected to participate in 32 hours a week of county-approved work activities. This will provide for an average of four full-time work day equivalents while leaving an additional eight hours to continue to look for work. Two-parent families will have a 35 hour per week work requirement. Full participation, as determined through the work readiness screening process, will be required to receive the full grant amount. The purpose of this requirement is to assure that parents are actively engaged in work activities.

The form of work participation will be determined during the work readiness screening process, taking into consideration the ability, availability and goals established by the adult caretaker in their participation plan. This requirement can be met through a combination of employment and community service/work experience activities. These activities are designed to meet the program goal to move families toward employment. Counties will have broad discretion in developing the activities that will count toward meeting this requirement. However, unsubsidized employment will be the first priority activity.

Monthly grants will reflect the hours of participation in work activities for the given month. Grants for individuals who do not meet the monthly work participation requirement will be reduced by a percentage based on the number of hours that they participate. The family of an

individual who does not participate at the minimum monthly work participation level (an average of 16 hours per week) will lose their entire grant.

Nonaided, nonparent relative caretakers and cases which include disabled or aged individuals will be exempted from the work requirements. Additional exemptions will be available for persons who meet good cause criteria and parents with newborn children under 12 weeks of age, consistent with the timeframes provided under the Family and Medical Leave Act. Counties will have the discretion to extend the 12-weeks exemption period up to one year, if no child care is available. However, for persons who meet good cause criteria and parents with newborn children under 12 weeks of age, their time while exempted from the work requirements will continue to count for purposes of the time limit.

EMPLOYMENT ACTIVITIES

Employment activities and services will be provided to aided, able-bodied, adults when determined appropriate through the work readiness screening process. This could include: subsidized employment; on-the-job-training; job club/job search; GED preparation; employment training; pre-employment preparation; and Vocational English-as-a-Second-Language. Educational-related activities such as GED preparation or adult basic education will be allowed when needed to meet a specific employment goal and if provided concurrent with other training or community service/work experience activities in order to meet the hourly participation requirements.

Counties will be given the flexibility to provide employment services in a manner that best suits their local needs, such as services geared to the types of jobs that are projected to be available in their area, and to promote linkages with other services. State-imposed requirements will be kept to a minimum, allowing counties as much discretion as possible to coordinate or contract for employment services. Counties will be encouraged to continue to collaborate with other

employment and training programs (e.g., Jobs Training Partnership Act (JTPA), Employment Development Department (EDD) and Community Colleges) in order to maximize service levels for **CalTAP** program participants.

COMMUNITY SERVICE/WORK EXPERIENCE ACTIVITIES (CS/WEA)

One of the ways that adult parents will meet their participation requirement is through involvement in community service/work experience activities (CS/WEA). The objectives of CS/WEA are to provide a process by which recipients develop the personal work habits and learn job skills that can lead to unsubsidized employment. These assignments will be limited to six months.

Most communities have important infrastructure needs that are not being addressed due to lack of available resources. Counties will be allowed to develop innovative approaches that utilize participants to meet their specific community needs. Participants can provide services to communities such as graffiti removal, housing repair, park maintenance, litter removal and tree planting. Each county plan will include the types of community service/work experience activities it will develop and provide to recipients. Counties will be expected to collaborate with local schools, community-based organizations, charitable organizations, business and service groups, and child care networks to achieve these goals.

SUPPORTIVE SERVICES

To the extent funding is available, child care, transportation and work/training expenses will be provided, as needed, to recipients involved in activities detailed in their participation plan. The current child care income disregard and the Supplemental Child Care program will be replaced with direct child care payments, based on the costs incurred by the recipient. Transitional child care and transitional medical services will continue to be provided for 24 months to those families going off aid due to employment.

County **CalTAP** programs may provide access to a broad range of services to address family or personal problems that are barriers to employment. This will include alcohol and drug treatment, developmentally disabled services, family violence prevention and protection services, mental health services and home visitation services for minor parents.

AID PAYMENTS

Basis for Aid Payment Levels

Maximum Aid Payments (MAP) will be maintained at January 1997 nonexempt levels. The MAP will reflect regional differences in housing costs, and will continue to vary by family size.

Work Incentives

The new grant structure is based primarily on a work earnings standard, rather than on a need basis. The financial work incentives in the proposed grant structure are designed to encourage recipients to work and earn at least the equivalent of full-time minimum wage work.

In order for recipients to have a financial incentive to increase their earnings from work, they should have more disposable income (earnings plus grant payment) as their earnings increase. In other words, recipients should be better off financially as they earn more money on the job.

In CalTAP, the amount of available work incentive that can be applied when calculating the Net Countable Income was set at the difference between the MAP for a family size of two and the equivalent of full-time minimum wage work (\$996). In Region 1, the available work incentive is \$540, and in Region 2 it is \$562.

To provide an incentive for all families to achieve full-time employment, the amount of the work incentive that is applied when calculating a family's grant is determined by comparing their earnings to the equivalent of full-time minimum wage work. The more a family earns in proportion to full-time minimum wage, the more of the available work incentive that is applied in calculating the family's grant.

In the current AFDC program, income, such as wages, salary, or commissions is considered earned income. Unearned income is any income that does not meet the definition of earned income. Both forms of income are combined when calculating the recipient's grant amount. Allowing unearned income to be combined with earned income reduces the effectiveness of the work incentive. While it does encourage recipients to seek income from sources other than welfare, there is no incentive to obtain employment as the primary source of income.

In the proposed system, unearned income will not count toward meeting the family's work incentive. Rather, unearned income will be deducted dollar for dollar from the grant payment. Families with unearned income will need to increase earnings from work in order to maximize the benefit of the work incentive. This is consistent with the goal to encourage full-time employment. However, in order to lessen the financial impact on individuals who are disabled and cannot work, all disability-based income will be treated as earned income for the purpose of grant calculations.

Six-Month Grant Cuts

As a further work incentive, the maximum aid payment will be reduced by 15 percent after six cumulative months on aid. The MIL remains the same after the six-month grant reductions, and the available work incentive will be increased so that recipients can replace the loss of grant income with earnings from

work. This will maintain full-time minimum wage earnings as the goal of the grant structure after the six-month reduction. Children-only cases, minor parent cases, severely disabled recipients, and recipients who must care for severely disabled children will be exempt from the six-month grant reductions.

Child Support Payments

All child support payments made on behalf of **CalTAP** families will be passed on to the family in their entirety. This gives recognition to the noncustodial parent's contribution to the economic support of their children, and provides the custodial parents with a baseline of support s/he can rely on as s/he enters the workforce. Child support payments will continue to be treated as unearned income. The current \$50 child support disregard will be eliminated, consistent with new federal policy.

Relocation Family Grants

Grants for families who have not resided in California for the past 12 months will be based on the lesser of the California computed grant amount or the maximum grant amount from the previous state. Family relocation grant levels will be incorporated within the proposed grant structure and in combination with the participation requirements.

Restricted Payments

Restricted payments will be required when the adult caretaker is abusing alcohol or drugs. Additionally, counties will have the option to use restricted payments in cases where the recipients have a demonstrated inability to manage their own funds.

TIME LIMITS

Applicant families with able-bodied adults who apply for aid on or after January 1, 1998 will be eligible for 12 cumulative months of aid during the 24 consecutive months beginning the date of application. Recipient families with able-bodied adults whose aid was authorized prior to January 1, 1998 will be eligible for 24 cumulative months of aid during the 36 consecutive months beginning January 1, 1998. Minors who lose eligibility due to the senior parents' time limit will be able to apply for aid once they reach the age of majority, and would then be eligible for aid as an adult. The time limits will also apply to cases with citizen children of undocumented alien parents.

Families will be eligible for a new 12 cumulative months of aid when they have not received **CalTAP** aid or noncash assistance for 12 consecutive months. The total cumulative months on aid cannot exceed the lifetime limit of 60 months (five years).

The time limits will not apply to children who are living with nonaided relative caretakers (nonparent), aged caretakers, teen program participants, and families with a severely disabled parent or child in the home. **CalTAP** aid and benefits will continue for these families regardless of the availability of federal funds.

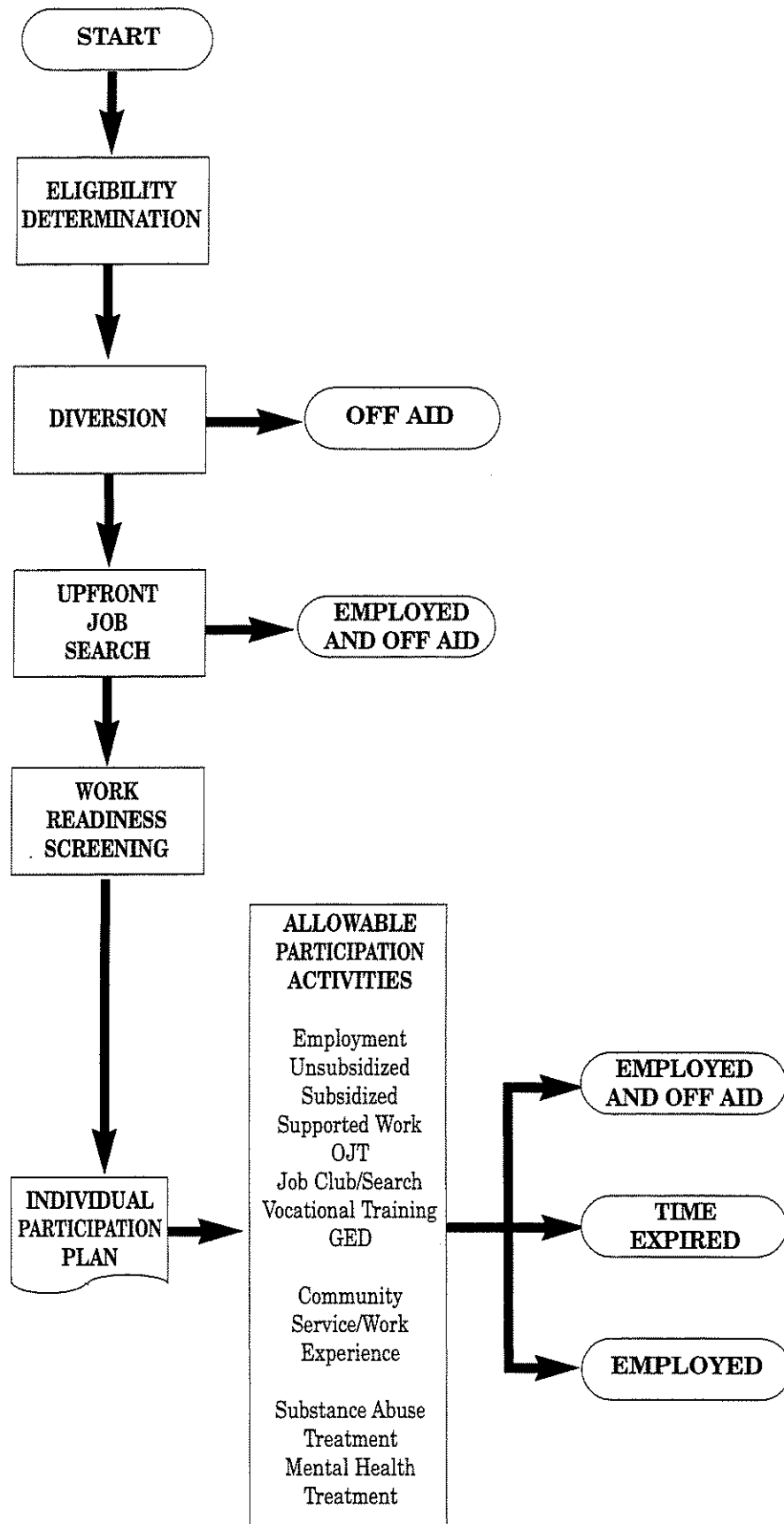
TEEN PARENTS

The well-being of the teen parent and his/her child continues to be a major societal concern. Under the **CalTAP**, minor parents will be required to live at home as a condition of eligibility. Further, a comprehensive service component for teen parents and their infants will be established based on the principles embodied by the Cal-Learn program. In their state approved county plan, counties will have the option of continuing the existing Cal-Learn program or designing a program approach that can best meet the state-prescribed outcomes established for teen parents and their children. Additionally, the state will strongly encourage and provide funding for any county that will add home visitation as a primary service component to their program for teen parents.

SAFETY NET FOR CHILDREN

Under **CalTAP**, non-cash benefits will be provided to families whose eligibility expires due to time limits. Non-cash benefits can be administered by the county or through community-based agencies. Counties will be able to design their safety net benefit array, but will be encouraged to utilize local charities, the faith community and other community resources to provide services.

CaITAP PROGRAM FLOW



CASELOAD DEMOGRAPHICS*

INCOME (AFDC FG/U)

■ Number of cases reporting income	19.6%
■ Major source of income for cases reporting income	Employment
■ Amount of income from employment	\$534
■ Cases claiming earned income disregards	12%

TEEN PARENTS (AFDC FG/U)

■ Cases with a teen parent as head of household	21,492 teens
■ Gender of the teen parent	21,021 female 471 male

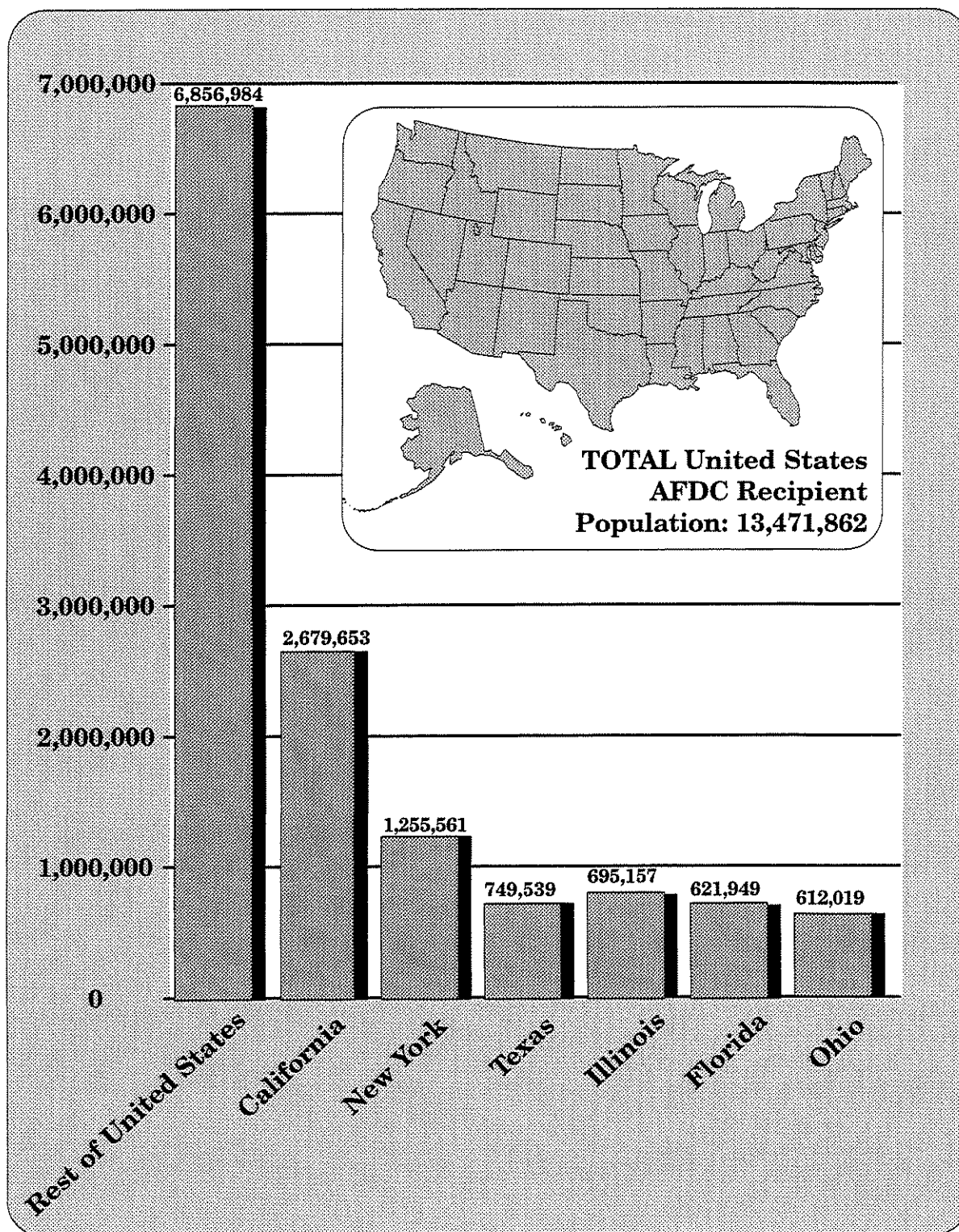
CHILD ONLY CASES (AFDC FG/U)

■ Number of cases with citizen children of undocumented alien parents	94,950 (10.5%)
■ Average number of citizen children per case	2
■ Number of children living with a caretaker relative (needy and non-needy)	50,485 (5.6%)
• % living with grandparents or great grandparents	73%
• % living with aunt/uncle or great aunt/uncle	20%
• % living with a sibling	4%
• % living with a cousin	2%

*From October 1995 State of California AFDC Characteristics Survey

AFDC RECIPIENT POPULATION COMPARISON

(Top 6 States to the Rest of U.S. ^{1/})



^{1/}Source: DHHS/OFA/AIMB Publication

"AFDC Time Trends - Fiscal Years 1986-1995."

COMPARISON OF CURRENT WELFARE SYSTEM AND CaITAP

PROGRAM ELEMENT	CURRENT WELFARE SYSTEM IN CALIFORNIA	CALIFORNIA TEMPORARY ASSISTANCE (CaITAP) PROGRAM
PROGRAM ELIGIBILITY	Deprivation Families that include a minor child who is deprived of a parent due to absence, death, incapacity or unemployment.	No change proposed at this time.
	Income Test Families must meet income limits based on family size. Their gross income must not exceed 185% of the Minimum Basic Standard of Adequate Care (MBSAC). In addition, the families' monthly net income must be less than the MBSAC plus special needs.	Families must meet a new state established Maximum Income Limit (MIL) that is benchmarked at full-time minimum wage for a family of two. For all other family sizes, the MIL is the sum of the January 1997 Maximum Aid Payment levels plus the amount of the standard work incentive.
	Asset Test Applicant families may have up to \$1000 in liquid assets and \$1500 equity in a motor vehicle. Recipient families may have up to \$2000 in liquid assets and \$4500 equity in a motor vehicle, plus up to \$5000 in a restricted savings account (for use in specific purposes; i.e. purchase of a home, education of a child, or to start a business).	No change proposed at this time.
	Child Support Cooperation & Paternity Establishment Cooperation is met by providing all known information. Specific information is not required if applicants attest that they do not have it. In some cases even a full name is not required. Paternity establishment is not a condition of eligibility.	CaITAP will require that specific information about the absent parent be provided, such as the Social Security Number, current address, or place of employment. An attestation that the applicant does not have this information will not be acceptable. In addition, paternity must be established before the applicant is included in the family's grant.
	Child Immunization and School Attendance Proof of child immunization and school attendance are not required as a condition of eligibility.	Proof of child immunization and school attendance will be required as a condition of eligibility.

COMPARISON OF CURRENT WELFARE SYSTEM AND CalTAP

PROGRAM ELEMENT		CURRENT WELFARE SYSTEM IN CALIFORNIA	CALIFORNIA TEMPORARY ASSISTANCE (CalTAP) PROGRAM
SPECIAL POPULATIONS	Legal Immigrants	Families who can prove eligible immigrant status are eligible for aid.	Legal immigrants who entered the U.S. prior to August 22, 1996, and legal immigrants who entered the U.S. after August 22, 1996 and meet the exception criteria, will be eligible for aid. New entrants who do not meet the exception criteria will not be eligible for aid for the first five years they are in the country.
	Teen Parents	Effective March 1, 1997, minor parents must live with parents or in adult-supervised setting in order to receive AFDC. Teen parents, unless exempt, must participate in the Cal-Learn program and make satisfactory grades in school.	Minor parents will be required to live at home or in adult-supervised settings and stay in school to get aid. Teen parents will be required to participate in the county's teen parent program.
UPFRONT JOB SEARCH		Current statutes do not require AFDC applicants to do job search.	All applicants will be required to do intensive upfront job search.
WORK READINESS SCREENING		Only GAIN participants are assessed for employability potential and an employment plan is developed.	A work readiness screening will be completed on adult caretaker applicants and recipients to determine skills and barriers to employment.
WORK PARTICIPATION REQUIREMENTS		Only GAIN participants are required to engage in work-related activities in order to receive aid.	All aided adults, with limited exemptions, will be required to participate in an approved work activity; 32 hours per week for single-parent families, and 35 hours per week for one parent in a two-parent family.
Exemptions		Exemptions from participation in the GAIN program include: age, illness or injury, incapacity, care of another individual in the home, pregnancy, care of a child under age 3, or employment of at least 30 hours per week.	Nonaided nonparent caretakers, families with severely disabled parents or severely disabled children, and parents of children under 12 weeks of age will be exempt from work participation requirements. There will be limited good cause criteria for temporary situations that preclude participation.
SERVICE ARRAY		The GAIN program provides employment training, community work experience and job search.	Child care, transportation and work expenses are provided if needed to participate. Counties will provide employment services, community service/work experience and supportive services needed to quickly move recipients toward employment. Mental health and substance abuse treatment will also be allowable services.

COMPARISON OF CURRENT WELFARE SYSTEM AND CalTAP

PROGRAM ELEMENT	CURRENT WELFARE SYSTEM IN CALIFORNIA	CALIFORNIA TEMPORARY ASSISTANCE (CalTAP) PROGRAM
TIME LIMITS	None. A family is eligible until the youngest eligible child reaches age 18 or the family no longer meets eligibility requirements.	<p>Beginning January 1998:</p> <p>Applicants - 12 cumulative months out of 24 consecutive months</p> <p>Recipients - 24 cumulative months out of 36 consecutive months</p> <p>Lifetime limit 60 cumulative months for those not exempt from the time limits.</p> <p>Requires a 12-consecutive month break in aid before a new 12 month eligibility period.</p> <p>Exemptions:</p> <p>Children living with non-aided relative caretakers, minor parents, and families with a severely disabled parent or child in the home.</p>
Child Health and Safety Assessment	Current statutes do not require an assessment of a child's health and safety prior to discontinuing a family from aid.	A child health and safety assessment will be required before a family is terminated from aid due to failure to meet work requirements or prior to reaching their time limit on aid.
SAFETY NET	Families ineligible for AFDC may be eligible for county General Assistance, Food Stamps, and community-based services.	A safety net program will be available for time-expired families in need of further governmental support. Funding from the state is available only for the child's portion of the grant. Assistance must be in the form of non-cash services and benefits as designed by the county.

COMPARISON OF CURRENT WELFARE SYSTEM AND CaITAP GRANT STRUCTURE

PROGRAM ELEMENT	CURRENT AFDC GRANT STRUCTURE	NEW CaITAP GRANT STRUCTURE
INCOME TESTS	AFDC requires families to meet both a gross income test and a net income test when determining eligibility.	CaITAP will require a single income test (gross income compared to the Maximum Income Level) based on family size, when determining eligibility.
MAXIMUM PAYMENT LEVELS	Maximum Aid Payments (MAPs) vary by family size and region.	No change.
MAXIMUM FAMILY GRANTS	Effective August 1997, a family's aid payment may not be increased due to the birth of a child born ten or more months after the family begins receiving aid.	No change.
RELOCATION FAMILY GRANTS	Effective no earlier than March of 1997, aid payments for families who have not resided in California for the past 12 months are based on the lesser of the California computed grant amount or the maximum grant amount from the previous state.	No change.
6-MONTH GRANT REDUCTIONS	There are no periodic MAP reductions based on time on aid.	<p>Recipients will receive a 15% reduction in their MAP after six cumulative months on aid. The available work incentive will be increased so that recipients can replace the grant reduction with earnings.</p> <p>Exemptions: Families with disabled parents or severely disabled children, nonaided nonparent caretakers, minor parents, citizen children of undocumented aliens or legal aliens who do not meet federal exception criteria are exempt from the 6-month grant reductions.</p>

COMPARISON OF CURRENT WELFARE SYSTEM AND CalTAP GRANT STRUCTURE

PROGRAM ELEMENT	CURRENT AFDC GRANT STRUCTURE	NEW CalTAP GRANT STRUCTURE
FINANCIAL WORK INCENTIVES IN GRANT COMPUTATIONS	AFDC has a series of income exemptions and disregards used when calculating grants. These incentives "peak" at less than 50% of the full-time minimum wage equivalent earnings.	CalTAP will have a single work incentive based on the recipient's earned income. This work incentive "peaks" at full-time minimum wage equivalent earnings.
GRANT ADJUSTMENTS FOR FAILURE TO MEET PARTICIPATION REQUIREMENTS	The grants of 90% of the current AFDC population are not affected by their participation level in welfare-to-work activities, because they do not participate in California's current welfare-to-work program, Greater Avenues for Independence (GAIN). GAIN participants who fail to meet GAIN participation requirements are sanctioned by having their portion of the Assistance Unit's grant removed.	Adult recipients must participate in specified program activities, 32 hours per week for single-parent families and 35 hours per week for an adult in two-parent families, to be eligible for the maximum grant amount. Grants for recipients who do not meet their participation requirements will be reduced, proportionate to the number of hours that they failed to participate. Recipients who do not meet the minimum participation requirement (16 hours per week) will lose the entire family's grant.
UNEARNED INCOME	Unearned income is treated such that it decreases the effectiveness of the work incentives within the AFDC grant structure. When calculating AFDC grant amounts, unearned income is combined with earned income when calculating the recipient's grant amount. This can reduce the amount of work incentive that is available to encourage recipients to increase their earnings through work.	Unearned income will reduce the MAP dollar for dollar, while preserving the available amount of work incentive for earnings. All disability-based income of disabled recipients who are unable to work will be counted as earned income for grant calculation purposes, since they will not be expected to increase their income through work.

REGIONAL GRANTS

REGION 1

Alameda
Contra Costa
Los Angeles
Marin
Monterey
Napa
Orange
San Diego
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

(17 Counties)

REGION 2

Alpine	Mono
Amador	Nevada
Butte	Plumas
Calaveras	Placer
Colusa	Riverside
Del Norte	Sacramento
El Dorado	San Benito
Fresno	San Bernardino
Glenn	San Joaquin
Humboldt	Shasta
Imperial	Sierra
Inyo	Siskiyou
Kern	Stanislaus
Kings	Sutter
Lake	Tehama
Lassen	Trinity
Madera	Tulare
Mariposa	Tuolumne
Mendocino	Yolo
Merced	Yuba
Modoc	

(41 Counties)



COMPARISON OF DISPOSABLE INCOME FOR A FAMILY OF THREE IN REGION 1 WITH NO EARNINGS

CURRENT SYSTEM		CalTAP SYSTEM	
185% Income Test	\$1359	Maximum Income Level	\$1105
Gross Earnings	\$0	Gross Earnings	\$0
Less Work Disregards	- <u>0</u>	Less Work Incentive (Earnings/996X\$540)	- <u>0</u>
Net Countable Income	\$0	Net Countable Income	\$0
MBSAC ¹ for 3	\$735		
Less Net Countable Income	- <u>0</u>		
Potential Grant Amount	\$735		
MAP ²	\$565	MAP	\$565
		Less Net Countable Income	- <u>0</u>
Grant Amount	\$565	Grant Amount	\$565
(Lesser of Potential Grant or MAP)			
Disposable Income	\$565	Disposable Income	\$565
(Gross Earnings + Grant)		(Gross Earnings + Grant)	

¹ MBSAC is the Minimum Basic Standard of Adequate Care

² MAP is the Maximum Aid Payment

COMPARISON OF DISPOSABLE INCOME FOR A FAMILY OF THREE IN REGION 1 WITH HALF-TIME EARNINGS

CURRENT SYSTEM		CalTAP SYSTEM	
185% Income Test	\$1359	Maximum Income Level	\$1105
Gross Earnings	\$498	Gross Earnings	\$498
Less Work Disregards	- <u>246</u>	Less Work Incentive (Earnings/996X\$540)	- <u>270</u>
Net Countable Income	\$252	Net Countable Income	\$228
MBSAC ¹ for 3	\$735		
Less Net Countable Income	- <u>252</u>		
Potential Grant Amount	\$483		
MAP ²	\$565	MAP	\$565
		Less Net Countable Income	- <u>228</u>
Grant Amount	\$483	Grant Amount	\$337
(Lesser of Potential Grant or MAP)			
Disposable Income	\$981	Disposable Income	\$835
(Gross Earnings + Grant)		(Gross Earnings + Grant)	

¹ MBSAC is the Minimum Basic Standard of Adequate Care

² MAP is the Maximum Aid Payment

COMPARISON OF DISPOSABLE INCOME FOR A FAMILY OF THREE IN REGION 1 WITH FULL-TIME EARNINGS

CURRENT SYSTEM		CalTAP SYSTEM	
185% Income Test	\$1359	Maximum Income Level	\$1105
Gross Earnings	\$996	Gross Earnings	\$996
Less Work Disregards	- <u>412</u>	Less Work Incentive	- <u>540</u>
		(Earnings/996X\$540)	
Net Countable Income	\$584	Net Countable Income	\$456
MBSAC ¹ for 3	\$735		
Less Net Countable Income	- <u>584</u>		
Potential Grant Amount	\$151		
MAP ²	\$565	MAP	\$565
		Less Net Countable Income	- <u>456</u>
Grant Amount	\$151	Grant Amount	\$109
(Lesser of Potential Grant or MAP)			
Disposable Income	\$1147	Disposable Income	\$1105
(Gross Earnings + Grant)		(Gross Earnings + Grant)	

¹ MBSAC is the Minimum Basic Standard of Adequate Care

² MAP is the Maximum Aid Payment

**COMPARISON OF DISPOSABLE INCOME
FOR A FAMILY OF THREE IN REGION 1
WITH HALF-TIME EARNINGS
RECEIVING A CHILD SUPPORT PAYMENT OF \$240**

CURRENT SYSTEM		CaITAP SYSTEM	
185% Income Test	\$1359	Maximum Income Level	\$1105
Gross Earnings	\$498	Gross Earnings	\$498
Less Work Disregards	- <u>246</u>	Less Work Incentive (Earnings/996X\$540)	- <u>270</u>
Net Countable Income	\$252	Net Countable Income	\$228
MBSAC ¹ for 3	\$735		
Less Net Countable Income	- <u>252</u>		
Potential Grant Amount	\$483		
MAP ²	\$565	MAP	\$565
		Less Child Support	- <u>240</u>
		Net MAP	\$325
		Less Net Countable Income	- <u>228</u>
Grant Amount	\$483	Grant Amount	\$ 97
(Lesser of Potential Grant or MAP)			
Child Support Disregard Payment	\$ 50		
Disposable Income	\$1031	Disposable Income	\$835
(Gross Earnings + Grant + Child Support Disregard Payment)		(Gross Earnings + Grant + Child Support)	

¹ MBSAC is the Minimum Basic Standard of Adequate Care

² MAP is the Maximum Aid Payment

CaITAP GRANT STRUCTURE - 6-MONTH GRANT REDUCTION

REGION 1

Family Size	MIL**	First 6 Months on Aid*		7+ Months on Aid*	
		MAP	WORK INCENTIVE	MAP	WORK INCENTIVE
1	819	279	540	237	582
2	996	456	540	388	608
3	1105	565	540	480	625
4	1213	673	540	572	641
5	1307	767	540	652	655
6	1401	861	540	732	669
7	1486	946	540	804	682
8	1570	1030	540	876	694
9	1653	1113	540	946	707
10+	1736	1196	540	1017	719

REGION 2

Family Size	MIL**	First 6 Months on Aid*		7+ Months on Aid*	
		MAP	WORK INCENTIVE	MAP	WORK INCENTIVE
1	828	266	562	226	602
2	996	434	562	369	627
3	1100	538	562	457	643
4	1203	641	562	545	658
5	1292	730	562	621	671
6	1382	820	562	697	685
7	1462	900	562	765	697
8	1543	981	562	834	709
9	1621	1059	562	900	721
10+	1700	1138	562	967	733

*MAPs are reduced by 15% after 6 cumulative months on aid.

**MILs do not change at the 6-month grant reduction.

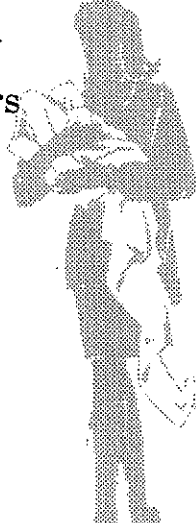
INCOME THRESHOLDS

Family Size	Current AFDC Income Threshold 185% of the Minimum Basic Standard of Adequate Care (MBSAC) ¹		CalTAP Income Threshold Maximum Income Level (MIL)	
	Region 1	Region 2	Region 1	Region 2
1	667	634	819	828
2	1095	1041	996	996
3	1359	1293	1105	1100
4	1613	1533	1213	1203
5	1838	1748	1307	1292
6	2068	1966	1401	1382
7	2271	2160	1486	1462
8	2475	2353	1570	1543
9	2684	2553	1653	1621
10+	2913	2771	1736	1700

- ¹ In addition to not exceeding 185% of the MBSAC, the families' net income (after application of relevant income disregards) must be less than the MBSAC plus special needs.

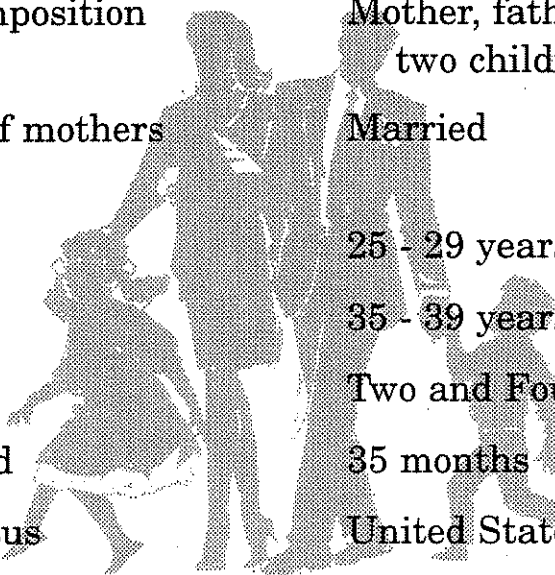
CHARACTERISTICS OF TYPICAL FAMILIES ON AID*

PROFILE OF A ONE-PARENT AFDC FAMILY (AFDC/FG)



■ Typical case composition	Mother and one child	46.9%
■ Marital status of mothers on aid	Separated or not currently married	80.6%
■ Age of Mother	30 - 34 years old	22.4%
■ Age of Child	One year old	7.9%
■ Total time on aid	39 months	
■ Citizenship Status	United States Citizen	91.6%
■ Primary Language	English	74.7%

PROFILE OF A TWO-PARENT AFDC FAMILY (AFDC/U)



■ Typical case composition	Mother, father and two children	33.0%
■ Marital status of mothers on aid	Married	84.7%
■ Age of Mother	25 - 29 years old	20.4%
■ Age of Father	35 - 39 years old	20.8%
■ Age of Children	Two and Four years old	16.7%
■ Total time on aid	35 months	
■ Citizenship Status	United States Citizen	69.4%
■ Primary Language	English	57.3%

*From October 1995 State of California AFDC Characteristics Survey